



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

March 24, 2015

Ms. Kara Belew, Budget Director
Governor's Office of Budget, Planning and Policy
1100 San Jacinto, 4th Floor
Austin, TX 78701

Ms. Ursula Parks, Director
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Ms. Belew and Ms. Parks:

Enclosed is the agency's FY 2015 Monthly Financial Report as of January 2015. The following is a narrative summary of budget adjustments during the month, budget variances, significant changes from appropriated funding, capital budget issues, and other key budget issues at this time.

BUDGET ADJUSTMENTS

There were no adjustments made to the operating budget in the month of January.

BUDGET VARIANCES

This report reflects a net agency shortfall of \$25.7 million consisting of a \$26.7 million shortfall in General Revenue and \$1.0 million surplus in Federal Funds.

- Strategy B.1.1 CPS Direct Delivery Staff has a projected surplus of \$3.4 million in General Revenue. This surplus in direct delivery staff-related expenditures is related to vacant FTEs and lower than budgeted travel and overtime payments.
- Strategy B.1.2 CPS Program Support has a projected shortfall of \$1.7 million consisting of \$2.0 million shortfall in General Revenue and \$0.3 million surplus in Federal Capped Grants. The shortfall is due to increase in staff related costs and unanticipated expenditures (The Stephen Group).
- Strategy B.1.8 PAL Purchased Services has a projected surplus of \$0.5 million in Other Federal Funds, based on current expenditure trends. DFPS is in the process of recruiting additional contractors to provide the transitional youth services.
- Strategy B.1.9 Substance Abuse Purchased Services has a projected shortfall of \$2.1 million consisting of \$2.3 million shortfall in General Revenue and \$0.2 million surplus in TANF primarily resulting from increases in drug testing costs. DFPS will enter into a new procurement for drug

testing and DFPS is closely examining service policy and procedures. Expenditure trends will be closely monitored.

- Strategy B.1.10 Other CPS Purchased Services has a projected shortfall of \$1.7 million in General Revenue, based on current expenditure trends.
- Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$1.1 million in General Revenue. The surplus results from vacant FTEs and lapsing funds used to provide direct services to clients (purchased emergency client services). Expenditures for client services are affected by various factors including availability of local resources. Continuing analysis is needed to determine if these lower expenditure trends are a result of transient factors or more permanent in nature.
- Strategy E.1.1 Child Care Regulation has a projected surplus of \$0.9 million consisting of General Revenue as a result of vacant FTEs.

The following General Revenue variances are projected based on the HHSC February 2015 caseload and expenditure forecast:

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.3 million
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$2.9 million
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$21.1 million
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected surplus of \$0.4 million
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected shortfall of \$2.6 million

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes at this time.

OTHER KEY BUDGET ISSUES

None not addressed above.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time.

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Letter Topic Appropriation Year 2014	HHSC/DFPS Letter Date	Approval/Response Received by March 24, 2015	
		LBB	Governor
Request Use of General Revenue Funds Available in Relative Foster Day Care and Prevention to Meet a Critical Need in Protective Day Care in Fiscal Year 2014	October 28, 2014	N	N

Kara Belew and Ursula Parks

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Please contact Beth Cody, Budget Director, at 438-3351 if you have any questions or require additional information.

Sincerely,



Tracy Henderson
Chief Financial Officer

cc: Garnet Coleman, State Representative
Meghan Weller, Governor's Office
Hasan Mack, Lieutenant Governor's Office
Heather Fleming, Speaker's Office
Shannon Ghangurde, Senate Finance Committee
Stacey Gilliam, Senate Finance Committee
Hunter Thompson, House Appropriations Committee
Kyler Arnold, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board